

Date Mailed January 27, 1998

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the Village of Belmont, as an Electric
Public Utility, for Authority to Change Electric Rates

440-ER-101

**NOTICE OF INVESTIGATION, ASSESSMENT OF COSTS,
AND TELEPHONIC HEARING**

On October 17, 1997, the Village of Belmont, Lafayette County (Belmont), as an electric public utility, filed an application with the Public Service Commission of Wisconsin (Commission) under ss. 196.03, 196.20, and 196.37, Stats., for authority to change electric rates.

Belmont cites its desire to maintain competitive rates as the primary reason for its request to change rates. Belmont requests a return of 7 percent on operation and maintenance expenses as opposed to a return on rate base. Belmont claims that its rate base of \$135,800 is too small to allow the utility to maintain an adequate cash flow. Belmont's filing included a request to decrease rates approximately 1.7 percent, on average. Belmont's last rate change was authorized in 1987.

Upon review of Belmont's filing, Commission staff has proposed an overall decrease in revenues of 2.6 percent based on a return of 6 percent on operation and maintenance expenses. If Commission staff's proposal is approved, an average residential customer's bill would decrease 0.3 percent, from \$38.60 to \$38.50 monthly, based on an average monthly usage of 750 kWh. Commission staff's proposal also includes an 8.2 percent decrease for the general service (farm and commercial) customers, a 0.9 percent decrease for the small power customers, and a 5.0 percent decrease for the large power customers. These percentages represent the impact for an average customer in these rate classes. Individual customer bill impacts will differ from these percentages depending upon each customer's electric usage.

Belmont is responsible for giving notice to its customers of the filing of its application with the Commission and, pursuant to s. PSC 2.73, Wis. Adm. Code, for producing proof of such notice at the hearing.

This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's

attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

NOTICE IS GIVEN that the Commission will investigate this matter and hold a public hearing on February 6, 1998, at 11:00 a.m. This will be a telephonic hearing conducted from two sites. Belmont will provide a room for customer participation in the utility offices located at 222 South Mound Avenue, Belmont, Wisconsin. Customers may call Belmont at (608) 762-5142 for further details on the location of the hearing room. This building is accessible to people in wheelchairs. Commission staff will participate from the Lake Superior Room in the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin. This building is accessible to people in wheelchairs through the Whitney Way first floor entrance (lobby). Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations at the Public Service Commission Building should contact Richard Teslaw, General Services Assistant, at (608) 267-9766.

NOTICE IS FURTHER GIVEN that this matter is considered to be a Class 1 proceeding as defined in s. 227.01(3)(a), Stats.

NOTICE IS FURTHER GIVEN that the Commission considers it necessary in order to carry out its duties herein to investigate all books, accounts, practices, and activities of Belmont. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such investigation will be assessed against and collected from Belmont, in accordance with the provisions of s. 196.85, Stats., and ch. PSC 5, Wis. Adm. Code.

If there are any questions regarding the hearing scheduled in this notice, please call the Examining Division at (608) 266-1261.

Other questions regarding this matter may be directed to Jerry Albrecht at (608) 267-5111.

Dated at Madison, Wisconsin, _____

For the Commission.

Susan E. Stratton
Administrator
Electric Division

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